

**SENATE, No. 2108**

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**STATE OF NEW JERSEY**

**212th LEGISLATURE**

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INTRODUCED JUNE 26, 2006

**Sponsored by:**

**Senator THOMAS H. KEAN, JR.**

**District 21 (Essex, Morris, Somerset and Union)**

**Senator ROBERT E. LITTELL**

**District 24 (Sussex, Hunterdon and Morris)**

**SYNOPSIS**

Creates housing purchase matching grant program for members of United States Armed Forces and New Jersey National Guard who have served in certain military operations.

**CURRENT VERSION OF TEXT**

As introduced.



1   **AN ACT** establishing a housing purchase matching grant program  
 2       for certain members of the United States Armed Forces and New  
 3       Jersey National Guard, supplementing and amending P.L.1983,  
 4       c.530, and making an appropriation

5  
 6       **BE IT ENACTED** *by the Senate and General Assembly of the State*  
 7       *of New Jersey:*

8  
 9       1. (New section) a. The New Jersey Housing and Mortgage  
 10      Finance Agency shall establish a matching grant program for the  
 11      purposes of assisting certain members of the United States Armed  
 12      Forces and the New Jersey National Guard in the purchase of a  
 13      home. The program shall be coordinated with the Department of  
 14      Military and Veterans Affairs. The program may be interfaced with  
 15      any program currently administered by the agency for first time  
 16      homebuyers, but a recipient shall not be required to meet the other  
 17      eligibility criteria of any other homebuyer program in order to be  
 18      eligible to participate in the matching grant program.

19      b. Matching grants shall be made on the basis of available funds  
 20      to eligible military personnel on a dollar for dollar matching fund  
 21      basis, up to a maximum of \$10,000. The funds may be applied to  
 22      closing costs, equity payments, or for any other purpose which  
 23      assists the recipient in purchasing a home.

24      c. In order to be eligible for a matching grant, a member of the  
 25      United States Armed Forces or the New Jersey National Guard, at  
 26      the time of application, shall provide proof of:

27       (1) at least 90 days of service on active duty in Operation Noble  
 28      Eagle; Operation Enduring Freedom; or Operation Iraqi Freedom;

29       (2) legal residency in the State of New Jersey; and

30       (3) intent to purchase a principal residence in the State of New  
 31      Jersey.

32      There shall be no income eligibility for the program, however,  
 33      the agency may give priority to those applicants who are also  
 34      eligible for assistance under other programs administered by the  
 35      agency, such as the first time home-buyer program. Applicants shall  
 36      not be eligible for more than one matching grant under the program.  
 37      For the purposes of this act, “members of the United States Armed  
 38      Forces” includes both active and reserve component members.

39  
 40      2. (New section) The agency, in consultation with the  
 41      Department of Military and Veterans Affairs, shall promulgate such  
 42      regulations as necessary to effectuate this act in accordance with the  
 43      “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
 44      seq.).

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1       3. Section 5 of P.L.1983, c.530 (C.55:14K-5) is amended to read  
2 as follows:

3       5. In order to carry out the purposes and provisions of this act,  
4 the agency, in addition to any powers granted to it elsewhere in this  
5 act, shall have the following powers:

6       a. To adopt bylaws for the regulation of its affairs and the  
7 conduct of its business; to adopt an official seal and alter the same  
8 at pleasure; to maintain an office at such place or places within the  
9 State as it may designate; to sue and be sued in its own name;

10       b. To conduct examinations and hearings and to hear testimony  
11 and take proof, under oath or affirmation, at public or private  
12 hearings, on any matter material for its information and necessary  
13 to carry out the provisions of this act;

14       c. To issue **【subpenas】** subpoenas requiring the attendance of  
15 witnesses and the production of books and papers pertinent to any  
16 hearing before the agency, or before one or more of the members of  
17 the agency appointed by it to conduct a hearing;

18       d. To apply to any court, having territorial jurisdiction of the  
19 offense, to have punished for contempt any witness who refuses to  
20 obey a **【subpena】** subpoena, or who refuses to be sworn or  
21 affirmed to testify, or who is guilty of any contempt after summons  
22 to appear;

23       e. To acquire by purchase, gift, foreclosure or condemnation any  
24 real or personal property, or any interest therein, to enter into any  
25 lease of property and to hold, sell, assign, lease, encumber,  
26 mortgage or otherwise dispose of any real or personal property, or  
27 any interest therein, or mortgage lien interest owned by it or under  
28 its control, custody or in its possession and release or relinquish  
29 any right, title, claim, lien, interest, easement or demand however  
30 acquired, including any equity or right of redemption, in property  
31 foreclosed by it and to do any of the foregoing by public or private  
32 sale, with or without public bidding, notwithstanding the provisions  
33 of any other law;

34       f. To acquire, hold, use and dispose of its income revenues,  
35 funds and moneys;

36       g. To adopt rules and regulations expressly authorized by this  
37 act and such additional rules and regulations as shall be necessary  
38 or desirable to carry out the purposes of this act. The agency shall  
39 adopt regulations which provide for consultation with housing  
40 sponsors regarding the formulation of agency rules and regulations  
41 governing the operation of housing projects and which require the  
42 agency to consult with the affected housing sponsor prior to taking  
43 any and all specific proposed agency actions relating to the  
44 sponsor's housing project. The agency shall publish all rules and  
45 regulations and file them with the Secretary of State;

46       h. To borrow money or secure credit on a temporary, short-term,  
47 interim or long-term basis, and to issue negotiable bonds and to

1 secure the payment thereof and to provide for the rights of the  
2 holders thereof;

3 i. To make and enter into and enforce all contracts and  
4 agreements necessary, convenient or desirable to the performance  
5 of its duties and the execution of its powers under this act, including  
6 contracts or agreements with qualified financial institutions for the  
7 servicing and processing of eligible loans owned by the agency;

8 j. To appoint and employ an executive director, who shall be the  
9 chief executive officer of the agency, and additional officers, who  
10 need not be members of the agency as the agency deems advisable,  
11 and to employ architects, engineers, attorneys, accountants,  
12 construction and financial experts and other employees and agents  
13 as may be necessary in its judgment and to determine their  
14 qualifications, terms of office, duties and compensation; and to  
15 promote and discharge such officers, employees and agents, all  
16 without regard to the provisions of Title 11 of the Revised Statutes,  
17 Civil Service;

18 k. To contract for and to receive and accept any gifts, grants,  
19 loans or contributions from any source, of money, property, labor or  
20 other things of value, to be held, used and applied to carry out the  
21 purposes of this act subject to the conditions upon which the grants  
22 and contributions may be made, including, but not limited to, gifts  
23 or grants from any department or agency of the United States or the  
24 State for payment of rent supplements to eligible families or for the  
25 payment in whole or in part of the interest expense for a housing  
26 project or for any other purpose consistent with this act;

27 l. To enter into agreements to pay annual sums in lieu of taxes to  
28 any political subdivision of the State with respect to any real  
29 property owned or operated directly by the agency;

30 m. To procure insurance against any loss in connection with its  
31 operations, property and other assets (including eligible loans) in  
32 the amounts and from the insurers it deems desirable;

33 n. To the extent permitted under its contract with the holders of  
34 bonds of the agency, to consent to any modification with respect to  
35 rate of interest, time and payment of any installment of principal or  
36 interest, security or any other terms of any loan to an institutional  
37 lender, eligible loan, loan commitment, contract or agreement of  
38 any kind to which the agency is a party;

39 o. To the extent permitted under its contract with the holders of  
40 bonds of the agency, to enter into contracts with any housing  
41 sponsor containing provisions enabling the housing sponsor to  
42 reduce the rental or carrying charges to persons unable to pay the  
43 regular schedule of charges where, by reason of other income or  
44 payment from the agency, any department or agency of the United  
45 States or the State, these reductions can be made without  
46 jeopardizing the economic stability of the housing project;

47 p. To make and collect the fees and charges it determines are  
48 reasonable;

1       q. To the extent permitted under its contract with the holders of  
2 bonds of the agency, to invest and reinvest any moneys of the  
3 agency not required for immediate use, including proceeds from  
4 the sale of any obligations of the agency, in obligations, securities  
5 or other investments as the agency deems prudent. All functions,  
6 powers and duties relating to the investment or reinvestment of  
7 these funds, including the purchase, sale or exchange of any  
8 investments or securities may, upon the request of the agency, be  
9 exercised and performed by the Director of the Division of  
10 Investment in the Department of the Treasury, in accordance with  
11 written directions of the agency signed by an authorized officer,  
12 without regard to any other law relating to investments by the  
13 Director of the Division of Investment;

14       r. To provide, contract or arrange for, where, by reason of the  
15 financing arrangement, review of the application and proposed  
16 construction of a project is required by or in behalf of any  
17 department or agency of the United States, consolidated processing  
18 of the application or supervision or, in the alternative, to delegate  
19 the processing in whole or in part to any such department or  
20 agency;

21       s. To make eligible loans, and to participate with any  
22 department, agency or authority of the United States or of any state  
23 thereof, this State, a municipality, or any banking institution,  
24 foundation, labor union, insurance company, trustee or fiduciary in  
25 an eligible loan, secured by a single participating mortgage, by  
26 separate mortgages or by other security agreements, the interest of  
27 each having equal priority as to lien in proportion to the amount of  
28 the loan so secured, but which need not be equal as to interest rate,  
29 time or rate of amortization or otherwise, and to undertake  
30 commitments to make such loans;

31       t. To assess from time to time the housing needs of any  
32 municipality which is experiencing housing shortages as a result of  
33 the authorization of casino gaming and to address those needs when  
34 planning its programs;

35       u. To sell any eligible loan made by the agency or any loan to an  
36 institutional lender owned by the agency, at public or private sale,  
37 with or without bidding, either singly or in groups, or in shares of  
38 loans or shares of groups of loans, issue securities, certificates or  
39 other evidence of ownership secured by such loans or groups of  
40 loans, sell the same to investors, arrange for the marketing of the  
41 same; and to deposit and invest the funds derived from such sales in  
42 any manner authorized by this act;

43       v. To make commitments to purchase, and to purchase, service  
44 and sell, eligible loans, pools of loans or securities based on loans,  
45 insured or issued by any department or agency of the United States,  
46 and to make loans directly upon the security of any such loan, pools  
47 of loans or securities;

- 1       w. To provide such advisory consultation, training and  
2 educational services as will assist in the planning, construction,  
3 rehabilitation and operation of housing including but not limited to  
4 assistance in community development and organization, home  
5 management and advisory services for residents and to encourage  
6 community organizations and local governments to assist in  
7 developing housing;
- 8       x. To encourage research in and demonstration projects to  
9 develop new and better techniques and methods for increasing the  
10 supply, types and financing of housing and housing projects in the  
11 State and to engage in these research and demonstration projects  
12 and to receive and accept contributions, grants or aid, from any  
13 source, public or private, including but not limited to the United  
14 States and the State, for carrying out this purpose;
- 15       y. To provide to housing sponsors, through eligible loans or  
16 otherwise, financing, refinancing or financial assistance for fully  
17 completed, as well as partially completed, projects which may or  
18 may not be occupied, if the projects meet all the requirements of  
19 this act, except that, prior to the making of the mortgage loans by  
20 the agency, said projects need not have complied with sections  
21 7a.(9) and 42 of this act;
- 22       z. To encourage and stimulate cooperatives and other forms of  
23 housing with tenant participation;
- 24       aa. To promote innovative programs for home ownership,  
25 including but not limited to lease-purchase programs, employer-  
26 sponsored housing programs, **and** tenant cooperatives, and grant  
27 programs for certain members of the United States Armed Forces  
28 and the New Jersey National Guard established pursuant to P.L. ,  
29 c. (C. ) (pending before the Legislature as this bill);
- 30       bb. To set aside and designate, out of the funds that are or may  
31 become available to it for the purpose of financing housing in this  
32 State pursuant to the terms of this act, certain sums or proportions  
33 thereof to be used for the financing of housing and home-ownership  
34 opportunities, including specifically lease-purchase arrangements,  
35 provided by employers to their employees through nonprofit or  
36 limited-dividend corporations or associations created by employers  
37 for that purpose; and to establish priority in funding, offer bonus  
38 fund allocations, and institute other incentives to encourage such  
39 employer-sponsored housing and home-ownership opportunities;
- 40       cc. Subject to any agreement with bondholders, to collect,  
41 enforce the collection of, and foreclose on any property or collateral  
42 securing its eligible loan or loans to institutional lenders and  
43 acquire or take possession of such property or collateral and sell the  
44 same at public or private sale, with or without bidding, and  
45 otherwise deal with such collateral as may be necessary to protect  
46 the interests of the agency therein;

1       dd. To administer and to enter into agreements to administer  
2 programs of the federal government or any other entity which are in  
3 furtherance of the purposes of this act;

4       ee. To do and perform any acts and things authorized by this act  
5 under, through, or by means of its officers, agents or employees or  
6 by contract with any person, firm or corporation; and

7       ff. To do any acts and things necessary or convenient to carry  
8 out the powers expressly granted in this act.

9 (cf: P.L.1983, c.530, s.5)

10  
11       4. There is appropriated \$2,000,000 from the General Fund to  
12 the New Jersey Housing and Mortgage Finance Agency for the  
13 purposes of this act.

14  
15       5. This act shall take effect immediately.

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17  
18                               STATEMENT

19  
20       This bill would establish a matching grant program for certain  
21 members of the United States Armed Forces and the New Jersey  
22 National Guard to assist them in purchasing a home. The program  
23 is established in the New Jersey Housing and Mortgage Finance  
24 Agency in coordination with the Department of Military and  
25 Veterans Affairs. The program may be interfaced with any program  
26 currently administered by the agency for first time homebuyers,  
27 although a recipient need not meet the other eligibility criteria of  
28 any other homebuyer program in order to be entitled to participate  
29 in the matching grant program. The bill defines “members of the  
30 United States Armed Forces” as members in both active and reserve  
31 components.

32       Matching grants shall be made on the basis of available funds to  
33 eligible personnel on a dollar for dollar matching fund basis, up to a  
34 maximum of \$10,000. The funds may be applied to closing costs,  
35 equity payments, or for any other purpose which assists the  
36 recipient in purchasing a home.

37       There shall be no income eligibility for the program; however,  
38 the agency may give priority to those applicants who are also  
39 eligible for assistance under other programs administered by the  
40 agency, such as the first time home-buyer program. Applicants shall  
41 not be eligible for more than one matching grant under the program.

42       In order to be eligible for a matching grant, a member of the  
43 United States Armed Forces or the New Jersey National Guard, at  
44 the time of application, must provide proof of: (1) at least 90 days  
45 of service on active duty in Operation Noble Eagle, Operation  
46 Enduring Freedom, or Operation Iraqi Freedom; (2) legal residency  
47 in the State of New Jersey; and (3) intent to purchase a principal  
48 residence in the State of New Jersey.

**S2108 T. KEAN, LITTELL**

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1       The bill appropriates \$2 million from the General Fund to the  
2       New Jersey Housing and Mortgage Finance Agency to fund the  
3       grant program.